



**Port of Pittsburgh
Commission**

October 13, 2008

U.S. Army Corps of Engineers
Headquarters
Attn: P&G Revision
CECW-ZA
441 G Street, NW
Washington, DC 20314-1000

Dear Secretary Woodley:

As Executive Director of the Port of Pittsburgh Commission, I welcome the opportunity to provide comments on the proposed revisions to the Principles published in the Federal Register on September 12, 2008. I want to commend the Corps for undertaking this very critical effort to respond to the Congressional direction as contained in WRDA 2007 to bring the Principles and Guidance up to date with present planning priorities and objectives. The draft does not sufficiently address the Guidelines and there remain problems with the Principles.

Among the WRDA 2007 objectives for revisions to Principles and Standards are to maximize economic development, public safety, value of projects to low income communities, interaction of a project with other water resources projects or programs within a region or a watershed, the use of contemporary water resources, and evaluation methods that ensure water resources projects are justified by public benefits.

There is a need to revise the P&G, but the reasons for the need were not adequately addressed in the proposed revisions, specifically:

- The P&G measures only private transportation benefits and not the public benefits, such as air pollution or congestion foregone if a new waterway project alleviates traffic on roadways, despite the public taxpayers footing half or more of the bill.
- The P&G and the National Economic Development (NED) does not adequately calculate true benefits that accrue from waterway infrastructure projects.
 - Projects historically have been evaluated on waterway transportation benefits only, including only private transportation savings and none of the public benefits that may result in a failure to complete or maintain a waterway project (increased crashes, fatalities, congestion, pavement damage and air pollution).
 - The current P&G were developed in 1983, before the development of the global marketplace that we have today. It classifies all job losses as regional benefits, or losses (assuming all jobs move from one part of the US to another), and fails to consider the loss of jobs out of the country due to inadequate or unreliable infrastructure.
 - They were also developed before transportation de-regulation and it assumes that the unlimited supply of alternative road and rail transportation capacity to absorb additional traffic (should an existing lock fail) at current prices. This may have been true prior to de-regulation but is certainly not true now.

425 Sixth Avenue, Suite 2990
Pittsburgh, Pennsylvania 15219-1819
Voice: 412-201-7330
FAX: 412-201-7337
www.port.pittsburgh.pa.us

- o Lock and dam projects are calculated for their fifty year life benefits, but their useful life has increasingly been extended to 100 years.


Ironically, the government considers the private transportation benefits as internalities, but considers the taxpayer paid for public benefits as "externalities". Methodologies to measure these public benefits have been developed by the EPA, AASHTO, and NAPA, the National Academy of Public Administration, but have not been accepted under the NED and P&G.

Furthermore, the proposed revisions would actually make the current situation worse.

The revised Principles establish a minimum Benefit/Cost ratio of 1.5 for recommending the addition of incremental investment to Federal actions. This is a direct rejection of the long established economic criterion of 1.0 to establish the threshold for recommending Federal action. This incremental requirement means that overall project BCRs are mandated to be **greater** than 1.5 to 1. This troubling aspect is compounded by a second layer criterion that gives preference to even higher BCRs in project selection. These criteria arbitrarily sacrifice net benefits and are inconsistent with "efficient use of the nation's resources" as articulated in the National objective. Moreover, here are serious concerns about applying budgetary constraints to the planning process, when this factor would be more appropriately considered during the decision-making process for the budget.

Overall, it appears that these proposed revisions do not accurately reflect the requirements of WRDA 2007. The proposed revisions to the Principles should be discarded and revised in a manner that reflects the objectives established in WRDA 2007, and reflects the changing economic environment of the 21st century.

Sincerely,


James R. McCarville
Executive Director